Profit Sharing as a Strategy to Reduce Income Inequality in America

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Three SSN scholars show how America can strengthen the middle class and spur economic innovation and growth by letting employees share in company ownership.

In July, Hillary Clinton unveiled the details of major initiatives to boost employee incomes, including steps to encourage companies to share profits with employees. In their new work The Citizen’s Share, Joseph Blasi, Richard Freeman, and Douglas Kruse explain how and why approaches that give workers a stake in enterprise earnings – or even ownership – can work for everyone. Their Key Findings brief and recent New York Times OpEd spell out exactly how government and business can encourage these practices.

Joseph L. Blasi is Distinguished Professor and J. Robert Beyster Professor of Management and Labor Relations at Rutgers University where he researches profit
sharing, employee stock ownership, and stock options as means of achieving greater economic equality. He is a Research Associate at the National Bureau of Economic Research and has served as a Legislative Assistant in the U. S. House of Representatives.

**Richard B. Freeman** is the Herbert Ascherman Professor of Economics at Harvard University and a leading labor economist. He currently serves as Faculty Co-Director of the Labor and Worklife Program at the Harvard Law School, and is a Senior Research Fellow in Labour Markets at the London School of Economics' Centre for Economic Performance. He directs the National Bureau of Economic Research / Sloan Science Engineering Workforce Projects, and is Co-Director of the Harvard Center for Green Buildings and Cities.

**Douglas L. Kruse** is Distinguished Professor of Economics at Rutgers University, where he uses econometrics to explore topics ranging from employment of people with disabilities and worker displacement to employee ownership, profit sharing, and stock options. Kruse is a research associate at the National Bureau of Economic Research, and serves as the director of the Rutgers Program for Disability Research. He has served as Senior Economist for the President’s Council of Economic Advisors, and has been a member of the President’s Committee on Employment of People with Disabilities and the New Jersey State Rehabilitation Advisory Council.